

AC9R

**International Mobile Satellite Organization**  
**ADVISORY COMMITTEE**

Ninth Session

IMSO/AC/9/Report  
Origin: Chairman of  
Advisory Committee  
Date: 6 December 2004

**REPORT OF THE NINTH MEETING OF THE  
ADVISORY COMMITTEE**

**30 NOVEMBER 2004**

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ADVISORY COMMITTEE**

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## **REPORT OF THE NINTH MEETING OF THE ADVISORY COMMITTEE**

### **1 OPENING OF THE MEETING**

The Advisory Committee re-established at the Seventeenth Session of the Assembly (ASSEMBLY/17/Report, paragraph 5.2.3 refers) met at IMSO Headquarters on 30 November 2004. The Agenda, List of Participants and Terms of Reference are attached at Annexes I to III, respectively, to this Report.

The Chairman, Mr Mohammed Dukuly of Liberia, who was elected by the members of the Advisory Committee during the Seventeenth Session of the Assembly, opened the meeting.

### **2 APPROVAL OF AGENDA**

The Committee approved the Agenda, which is attached at Annex I.

### **3 OUTCOME OF THE EIGHTH SESSION OF THE ADVISORY COMMITTEE**

The Committee did not discuss the outcome of its Eighth Session, which was held on 14 November 2003.

### **4 DRAFT IMSO BUDGET FOR 2005 AND FORECAST FOR 2004**

The Committee noted document AC/9/2, "Report on Financial Accounts for 2004 and draft Budget for 2005", which was presented by the Director, and which is set out in columns (1) to (3) of Annex IV to this Report.

4.1 **Forecast for 2004**

4.1.1 The Committee noted the interim financial accounts for financial year 2004 (columns (1) and (2) of Annex IV). It was anticipated, based on current projections, that the budget for 2004 will be underspent by an amount of £22,000, as follows:

1. **Salaries** - overspent by £2,000

The employer costs relating to the administration of the pension plan and insurance premiums have been slightly higher than expected.

2. **Office Maintenance** - overspent by £2,750

(a) **Audit** - overspent by £250

actual costs higher than anticipated, reflecting the new format for the presentation of financial information as requested by the Sixteenth Session of the Assembly.

(b) **Postage** – overspent by £500

higher costs than expected due to heavy mail out of Assembly and IWG documents.

(c) **Website** – overspent by £2,000

higher costs than anticipated.

(d) the exceptional amount of £500, which had been carried over from the 2003 budget, remained on the balance sheet. The Director recommended that this amount should be written off.

3. **Rental** - on budget

4. **Travel and Hospitality** - underspent by £14,700

(a) **Travel** - underspent by £14,000

Due to schedule conflicts, the Director has been unable to attend various meetings which were held during 2004.

(b) **Parking Fees** - underspent by £500

- (c) Congestion Fee - underspent by £200

5. **Assembly and Committee Meetings** - underspent by £12,000

- (a) Assembly – underspent by £14,000

It may be recalled that, at its Eighth Session, the Advisory Committee agreed that lunches should be provided for delegates attending the Seventeenth Session of the Assembly, at an estimated cost of £20,000. However, the Secretariat was able to make arrangements whereby the staff restaurant was used by delegates at a far lower cost. The anticipated costs for catering and additional room hire have not therefore been expended.

- (b) Advisory Committee - on budget  
the present one day session is the only meeting held during 2004.

- (c) IWG and other meetings – overspent by £2,000  
a meeting of the IMO Permanent Representatives was held in April 2004 which had not been anticipated.

- (d) Translations – on budget

6. **Amount to be credited back to Inmarsat at year end**

Although the forecast for 2004 indicates a forecast underspend of approximately £22,000, the amount is likely to vary as it is based on nine months of actual expenditure and three months of forecast expenditure. The actual financial transaction will be made after the accounts are audited.

4.1.2 The Committee agreed that the exceptional item of £500 which had been carried over from the 2003 budget would be written off, and would no longer appear in the budget.

4.1.3 The Committee noted that, In accordance with normal financial practice, the accounts will be audited at the commencement of 2005.

4.2 **Draft Budget for 2005**

4.2.1 The Committee noted the proposed budget for 2005, presented by the Director, in particular that, when compared with the budget for 2004, a

decrease of £43,500 arises (approximately 9 percent), the reasons for which are discussed below.

1. **Salaries and other Emoluments** - increased by £24,250
  - (a) basic salaries - increased by £8,250  
the Director indicated that salaries are structured, in accordance with the Staff Handbook. The Organization does not specifically follow the pay structure of the United Nations. Provision has been made for an increase in basic salaries of all members of the Secretariat by 3 percent RPI (retail price index) plus an additional 2 percent for progression at the Director's discretion.
  - (b) Allowances – increased by £1,950  
Allowances have been increased as appropriate in line with salary increases. A provision of £1,500 has been made for home leave for the Director.
  - (c) employer costs - increased by £13,000  
employer costs relate to pension and insurance, and are directly linked to basic salary. Pension costs have, therefore, been increased in line with the salary increases referred to in (a) above. An increase of 10 percent in insurance costs has been estimated.
  - (d) accounting/administration support - increased by £1,050  
This relates to two-fifths of the cost of the Finance Officer who is shared with Cospas-Sarsat, and has been increased by 5 percent as for salaries.
2. **Office Maintenance** – maintained at 2004 level
3. **Rental Charges** – maintained at 2004 level.
4. **Travel and Hospitality** – maintained at 2004 level.  
This covers travel, hospitality, parking and congestion charge.
5. **Assembly and Committee Meetings** – decreased by £68,500
  - (a) Assembly – decreased by £62,500

It is anticipated that an extraordinary session of the Assembly will be held in the last quarter of 2005, with simultaneous interpretation. The assumption has been made that it will be a two-day session, attended by 120 delegates. Similar provisions for catering have been made as for the Seventeenth Session of the Assembly.

- (b) Advisory Committee – increased by £9,000  
In the light of the issues that the Assembly has requested the Advisory Committee to consider, provision has been made for three two-day meetings during 2005, each attended by 30 delegates. The main costs relates to meeting room hire (£1,000 per day).
- (c) IWG and Other Meetings - decreased by £15,000, as no IWG meetings are anticipated during 2005.
- (d) Translations – maintained at 2004 level.

4.2.2 The Committee requested the Director to keep members of the Advisory Committee informed of any unexpected items or adjustments in the budget, giving them the opportunity to make any comments. The Committee noted that it could be useful to provide a contingency fund for the Director for any unforeseen or unexpected events, but agreed that the issue needed further consideration. The Committee also agreed that the Director had the flexibility to transfer funds from one line item to another if necessary.

4.2.3 The Committee also requested the Director to investigate the possibility of sending documents to Member States by electronic mail in order to reduce the postage and printing budgets.

4.2.4 The Committee agreed the budget for financial year 2005 of £499,322, as presented by the Director, which is set out in column (4) of Annex IV to this Report,

5 **OUTCOME OF THE SEVENTEENTH SESSION OF THE IMSO ASSEMBLY**

5.1 **Draft Reference Public Services Agreement**

5.1.1 The Committee noted that, at its Seventeenth Session, the IMSO Assembly (paragraph 6.2.21 of Assembly/17/Report refers), requested the Advisory Committee to work with the Director in developing a draft Reference Public Services Agreement and to assist the Director with any matters pertaining to the introduction of new Providers.

5.1.2 The Committee noted that the Assembly had also noted that Inmarsat Ltd had offered to assist in developing a draft Reference Public Services Agreement, and that it may eventually be necessary to revise the existing Public Services Agreement between Inmarsat Ltd and the Organization to bring it into line with any new Reference Public Services Agreement that may be adopted in the future.

5.1.3 The Committee agreed that representatives of Inmarsat, Iridium and Orbcomm may attend this part of the meeting, as observers, and contribute to the discussions. The Committee noted that the representative of Orbcomm attended via conference call.

5.1.4 The Committee noted document AC/9/3 "Draft Reference Public Services Agreement", prepared by Inmarsat and based on the current Public Services Agreement with Inmarsat.

5.1.5 The Committee expressed its appreciation to Inmarsat for the preparation of the draft Reference Public Services Agreement.

5.1.6 The Committee held a brief preliminary discussion of the draft Reference Public Services Agreement, recognizing that there had not been the opportunity for a thorough review of the draft.

5.1.7 The Committee noted that a substantial amount of work was needed to be carried out as soon as possible in order to refine the draft Public Services Agreement, taking into account work to be done within IMO.



5.1.8 The Committee noted that Inmarsat and the potential providers Iridium and Orbcomm would work together to produce a further draft Reference Public Services Agreement, to be submitted to the Director.

5.1.9 The Committee requested the Director to review the draft PSA and produce a composite text for circulation to the members of the Committee, for their review.

5.1.10 The Committee agreed that it would carry out a detailed discussion on the further draft Reference Public Services Agreement at its next Session.

## **6 ANY OTHER BUSINESS**

### **6.1 Date of Next Meeting**

The Committee noted that the Director will hold consultations with the Chairman of the Advisory Committee regarding the date of the next meeting, which should be convened for a duration of two days after the Ninth Session of the IMO Sub-Committee on Radiocommunications and Search and Rescue (COMSAR 9) in February 2005. The Committee noted that the draft budget for 2005 had assumed that three meetings of the Committee each of two days duration would be held in 2005.

## **7 APPROVAL OF THE REPORT**

The Meeting approved the Report of its Eighth Session.

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**AGENDA FOR NINTH MEETING OF ADVISORY COMMITTEE**

- 1 Opening of the Meeting
  - 2 Approval of Agenda
  - 3 Outcome of the Eighth Session of the Advisory Committee
  - 4 Financial Matters
    - 4.1 Draft IMSO Budget for 2005 and Forecast for 2004
  - 5 Outcome of the Seventeenth Session of the IMSO Assembly
    - 5.1 Draft Reference Public Services Agreement
  - 6 Any Other Business
  - 7 Approval of Report
-

**LIST OF PARTICIPANTS****Chairman: Mr M. Dukuly**

<b>BRAZIL</b>	Ms Maria Cristina dos Anjos Embassy of Brazil, London	
<b>COLOMBIA</b>	Mr Juan Manuel Galan Minister Plenipotentiary Embassy of Colombia, London	
	Ms Martha Ines Ortegon Second Secretary (Human Rights) Embassy of Colombia, London	
<b>DENMARK</b>	Mr Jørgen Rasmussen Chief Ship Surveyor Danish Maritime Authority	
<b>INDONESIA</b>	Mr Dewa Made Sastrawan Counsellor Indonesian Embassy, London	
<b>ITALY</b>	Rear Admiral ICG Giancarlo Olimbo Maritime Attaché Representative of Italy to IMO Embassy of Italy, London	
<b>JAPAN</b>	Mr Shuji Yamaguchi First Secretary Embassy of Japan, London	
<b>LIBERIA</b>	His Excellency Mr Mohammed Dukuly Permanent Representative of the Republic of Liberia to IMO	(Chairman)
	Captain Armett E. Hill Deputy Permanent Representative of the Republic of Liberia to IMO	

<b>MALTA</b>	<a href="#">Mr. Lino C. Vassallo</a> Executive Director-Merchant Shipping Malta Maritime Authority
<b>MARSHALL ISLANDS</b>	Mr David J. F. Bruce Permanent Maritime Representative of the Republic of the Marshall Islands to IMO.
<b>MEXICO</b>	Captain Jorge Velasco Mexican Embassy, London
<b>POLAND</b>	Mr Pawel Czerwinski Counsellor - Permanent Representative of the Republic of Poland to the IMO Embassy of Poland, London
<b>RUSSIAN FEDERATION</b>	Mrs Nadya Nesterenko Morsviazsputnik
<b>SPAIN</b>	Mr Luis Sanz Gadea Head of Division for International Organizations Ministry of Industry, Tourism and Commerce  Mr Rubén López Pulido Transport Office Embassy of Spain, London
<b>UNITED KINGDOM</b>	Mr Gary R. Hunt International Communications Department of Trade and Industry
<b>UNITED STATES OF AMERICA</b>	Mr Richard Lamb Information Technology Policy Officer Bureau of Economic and Business Affairs Department of State  Ms Diane Steinour Office of International Affairs National Telecommunications and Information Administration Department of Commerce

via Conference Call

**OBSERVERS**

**FRANCE**

M Damien Brintet  
Ministère des Affaires étrangères

Mr Michel Babkine  
Organisme d'étude et de coordination pour la  
recherche et le sauvetage en mer (SECMER)

**PORTUGAL**

Ms Cristina Lourenço  
External Affairs Department  
ANACOM

\* \* \* \*

**INMARSAT**

Mr Richard Vos  
Adviser, Government Relations

Mrs Alison Horrocks  
Company Secretary

**IRIDIUM**

Mr Gregory Francis

**ORBCOMM**

Mr Greg Flessate via conference call  
Vice-President, Government Services

\* \* \* \*

**IMSO**

Mr Jerzy W. Vonau  
Director

Mr Andy Fuller  
Head of Technical Services

Ms Jenny Ray  
Head of Secretariat Services

Mr Anthony Boateng  
Finance Officer

## **TERMS OF REFERENCE FOR THE ADVISORY COMMITTEE**

### **1 ADVISORY COMMITTEE**

1.1 The Advisory Committee is established by the Assembly on a permanent basis, to carry out, on behalf of and under delegation from the Assembly, the tasks set forth in these Terms of Reference.

1.2 The Advisory Committee shall consist of representatives from the fifteen Parties, elected by each Session of the Assembly, taking into account the need for full geographical representation, and for continuity of membership.

1.3 The Committee shall appoint its own Chairman.

### **2 TASKS**

2.1 The Committee shall consult with the Director and give its guidance and advice to the Director on the following matters:

- (a) preparation by the Director of the annual budget of the Secretariat, and accounting and auditing procedures;
- (b) any proposed action by the Director to convene an extraordinary general meeting of the Holdings Company or initiate arbitration or judicial proceedings in the event of any alleged breach by the Companies of their obligations under the PSA, provided that if the Committee so requests, or the Director so decides, the Director shall convene an extraordinary session of the Assembly to authorize appropriate enforcement action;
- (c) determination by the Director of the staffing structure of the Secretariat, and standard terms of employment of Secretariat staff, and the Staff Rules;
- (d) any other matters delegated by the Assembly; and
- (e) any other matters on which the Director identifies a need to consult the Advisory Committee on a case-by-case basis.

2.2 The Committee shall approve the regular report of IMSO to the IMO envisaged in Article 4.3 of the Public Service Agreement (PSA), prepared and submitted by the IMSO Director.

2.3 The Committee shall agree the annual budget and resolve any issues regarding the annual budget which may be submitted by the Company.

2.4 The Committee shall review the Audited Annual Financial Statements of the Organization, and submit a report thereon to the Assembly.

### **3 WORKING METHODS**

3.1 The Rules of Procedure for the Assembly shall *mutatis mutandi* apply to the Advisory Committee.

3.2 The Committee shall determine its own working procedures, including the frequency and location of its meetings.

3.3 The Director is requested to provide such practical assistance to the Committee as may be necessary. In arranging its work and holding meetings, the Committee shall endeavour to minimise costs to the extent possible.

### **4 COSTS**

Costs associated with all travel, accommodation and subsistence of the members of the Committee at their meetings shall be borne by their respective Parties.

### **5 REPORTING TO PARTIES AND TO THE ASSEMBLY**

On behalf of the Committee, the Chairman shall, through the Director, send regular reports to Parties on the results of its work, and shall also submit a report thereon to the Assembly.

**2005 BUDGET AGREED BY THE NINTH SESSION  
OF THE ADVISORY COMMITTEE**

	<b>(1) 2004 Budget</b>	<b>(2) 2004 Forecast</b>	<b>(3) 2005 Budget Proposed by Director</b>	<b>(4) 2005 Budget Agreed by AC/9</b>
All amounts in pounds sterling				
<b>1. Salaries and other emoluments of staff:</b>	<b>320,000</b>	<b>322,000</b>	<b>344,250</b>	<b>344,250</b>
Basic salaries	193,350	192,000	201,600	201,600
Allowances	21,550	21,550	23,500	23,500
Employer Costs	83,500	86,500	96,500	96,500
Accounting/Administration support	21,600	21,950	22,650	22,650
<b>2. Office Maintenance:</b>	<b>49,400</b>	<b>52,150</b>	<b>50,150</b>	<b>50,150</b>
Audit	1,750	2,000	2,000	2,000
Printing/Copying	5,000	5,000	5,000	5,000
Telephone/Fax	2,000	2,000	2,000	2,000
Postage	6,500	7,000	6,500	6,500
Office Supplies	5,000	5,000	5,000	5,000
IT Services	8,500	8,500	8,500	8,500
Inmarsat Service Charge	19,600	19,600	19,600	19,600
Website	1,000	3,000	1,500	1,500
Bank Charges	50	50	50	50
<b>3. Rental</b>	<b>25,422</b>	<b>25,422</b>	<b>25,422</b>	<b>25,422</b>
<b>4. Travel/Hospitality:</b>	<b>40,500</b>	<b>25,800</b>	<b>40,500</b>	<b>40,500</b>
Travel	34,000	20,000	34,000	34,000
Hospitality	2,500	2,500	3,000	3,000
Parking Fees	2,500	2,000	2,000	2,000
Congestion Fee	1,500	1,300	1,500	1,500
<b>5. Meeting Costs:</b>	<b>107,500</b>	<b>95,500</b>	<b>39,000</b>	<b>39,000</b>
Assembly	84,000	70,000	21,500	21,500
Advisory Committee	1,500	1,500	10,500	10,500
IWG and other meetings	17,000	19,000	2,000	2,000
Translations	5,000	5,000	5,000	5,000
<b>6. Exceptional Item</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>542,822</b>	<b>520,872</b>	<b>499,322</b>	<b>499,322</b>